# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:629
ANSWERED ON:18.11.2016
Banking Facilities in Rural and Backward Areas
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**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has taken note of lack of banking facilities in rural/backward areas;

(b) if so, the details thereof along with the norms/guidelines laid down by the Reserve Bank of India for opening of bank branches in rural/backward areas of the country;

(c) the total number of branches opened by public and private sector banks and the number of the branches opened in rural and backward areas during the last three years and the current year, bank and State-wise;

(d) the number of bank branches proposed to be opened in unserved rural/backward areas; and

(e) the manner in which Direct Benefit Transfer (DBT) is going to be implemented in the beneficiaries accounts?

## Answer

The Minister of State in the Ministry of Finance

(a) to (c) To promote financial inclusion, Reserve Bank of India (RBI) grants general permission to domestic Scheduled Commercial Banks including Public Sector Banks (excluding Regional Rural Banks) to open branches at any place in the country, without seeking prior approval of RBI in each case, subject to at least 25 percent of the total number of branches opened during a financial year should be in unbanked rural (Tier 5 and Tier 6) centres (population upto 9999). RBI has also specified that the total number of branches opened in Tier 1 centres (population 100000 and above) during the financial year cannot exceed the total number of branches opened in Tier 2 to Tier 6 centres (population upto 99999) and all centres in the North Eastern States and Sikkim.

Due to said branch opening norms, as on 30.06.2016 out of total bank branches of 133668 of Scheduled Commercial Banks (SCBs), 84389 (63.13%) bank branches are in rural and semi-urban areas. The number of bank branches opened by public and private sector banks during the last three years and the current year is given in Annexure.

(d) As reported by State Level Bankers' Committees (SLBCs), a total of 6593 villages have been identified and allotted among scheduled commercial banks (including Regional Rural Banks) for opening of branches.
(e) Following process has been followed:
I. Banks have taken steps to complete account opening and seeding Aadhaar number in all the DBT districts.
II. DBT Cells have been constituted in departments wherever needed.
III. Formation of DBT implementation Co-ordination Committee, along with State Government department concerned, at district level.
IV. The Government of India, DBT is pushed through Aadhaar Based Payment System (ABPS) of National Payments Corporation of India (NPCI).
V. As part of strengthening servicing infrastructure, BC network is strengthened and monitored through weekly video conference from Department of Financial Services.
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